



# Frank Hawkins Kenan Institute of Private Enterprise

ENTREPRENEURSHIP • ECONOMIC DEVELOPMENT • GLOBAL COMPETITIVENESS

## Driving Economic Development

Municipal Power Agency Relief Committee Presentation • January 10, 2012



# The Leading Edge

“Those who can read the handwriting on the wall before others even see the wall will catapult to success”

—*John Kasarda*



# Entrepreneurship

“Entrepreneurs embody the promise of America: the idea that if you have a good idea and are willing to work hard and see it through, you can succeed in this country.”

—*Barack Obama*





# Economic Development

“Economic development is really a team sport. And I know of no other sport as competitive as economic development.”

—*Jim Kelley*





# Global Competitiveness

“Globalization is forcing companies to do things in new ways.”

—Bill Gates





# Frank Hawkins Kenan





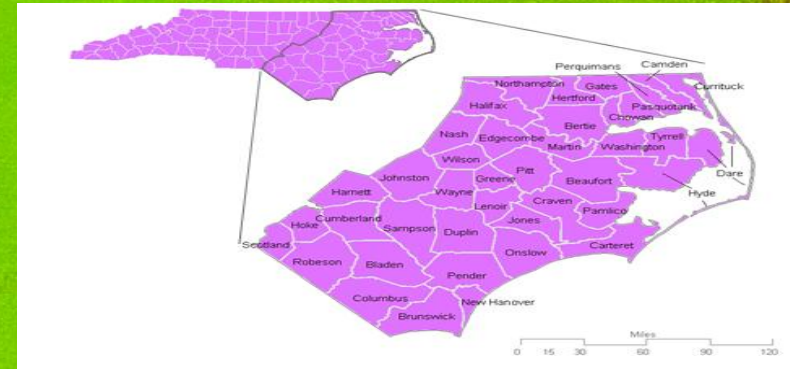


REACHING FOR PROSPERITY  
**ECONOMIC  
DEVELOPMENT**



# Kenan Institute Eastern North Carolina Initiative

- Twin County Business Growth Initiative
- Business of Biofuels Research
- City of Kinston Economic Redevelopment
- City of Rocky Mount Downtown Initiative
- Hertford Green Marina





# ECONOMIC IMPACT OF ELECTRICITY RATES





# NC ELECTRICITY

Duke Power/Progress Energy—Investor Owned  
NCMPA1, NCEMPA — Public





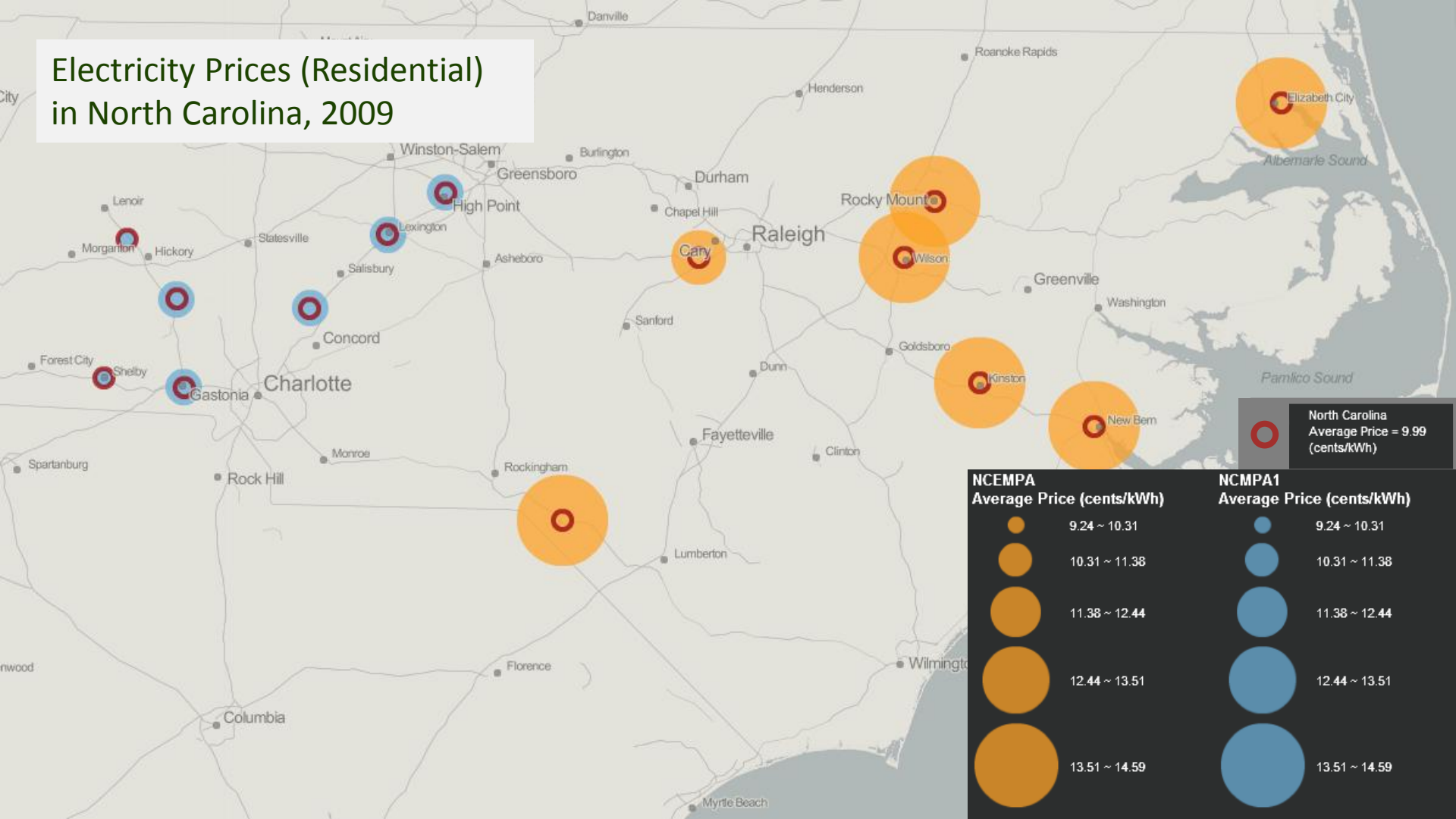
# NCEMPA AGREEMENT

- History of rising power demand at end of 1970s/early 80s
- Supply security
- Cost of plant construction and resulting debt service.
  - Estimated \$1.1/four reactors → **\$4 billion/one)**



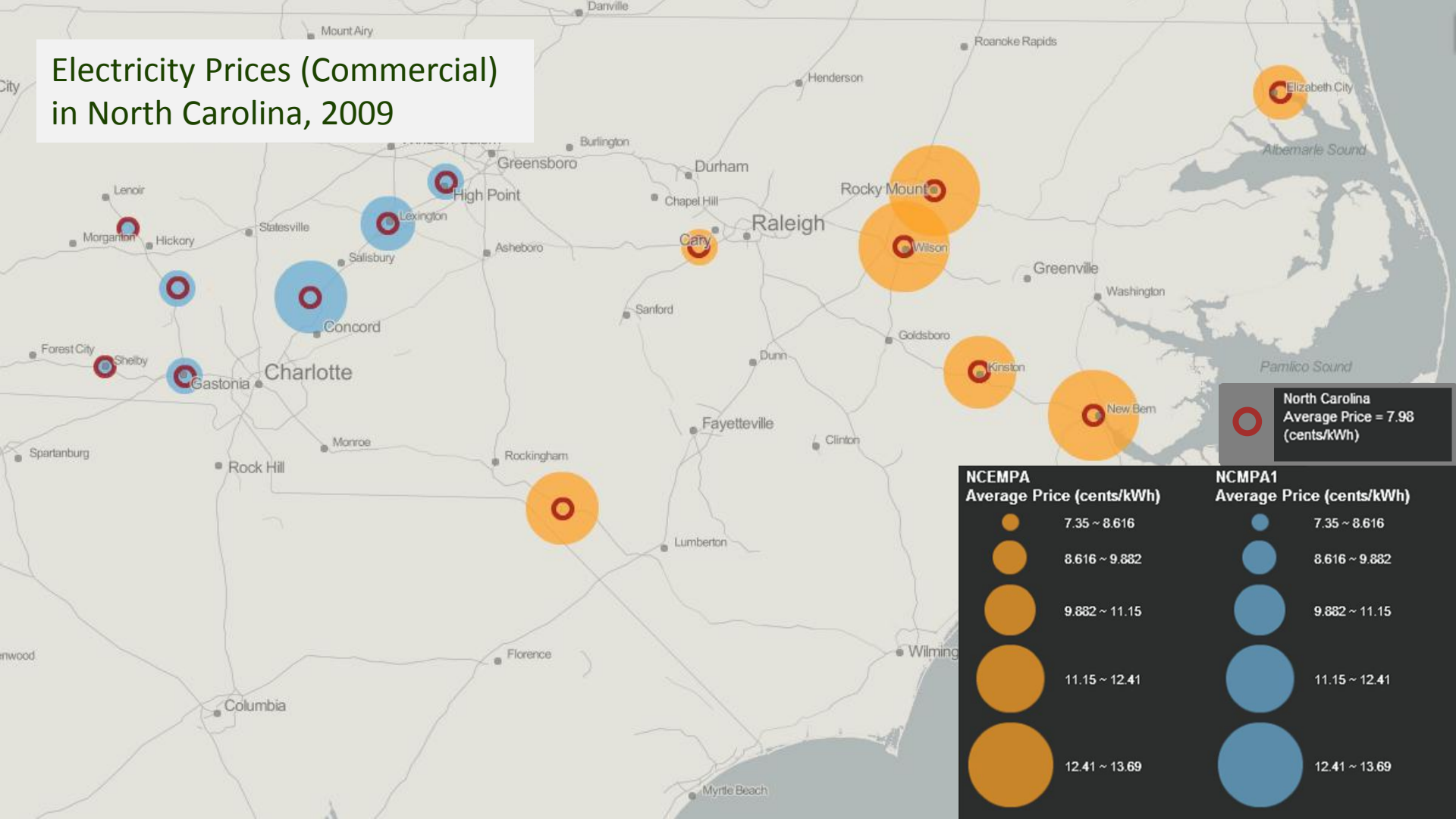


# Electricity Prices (Residential) in North Carolina, 2009



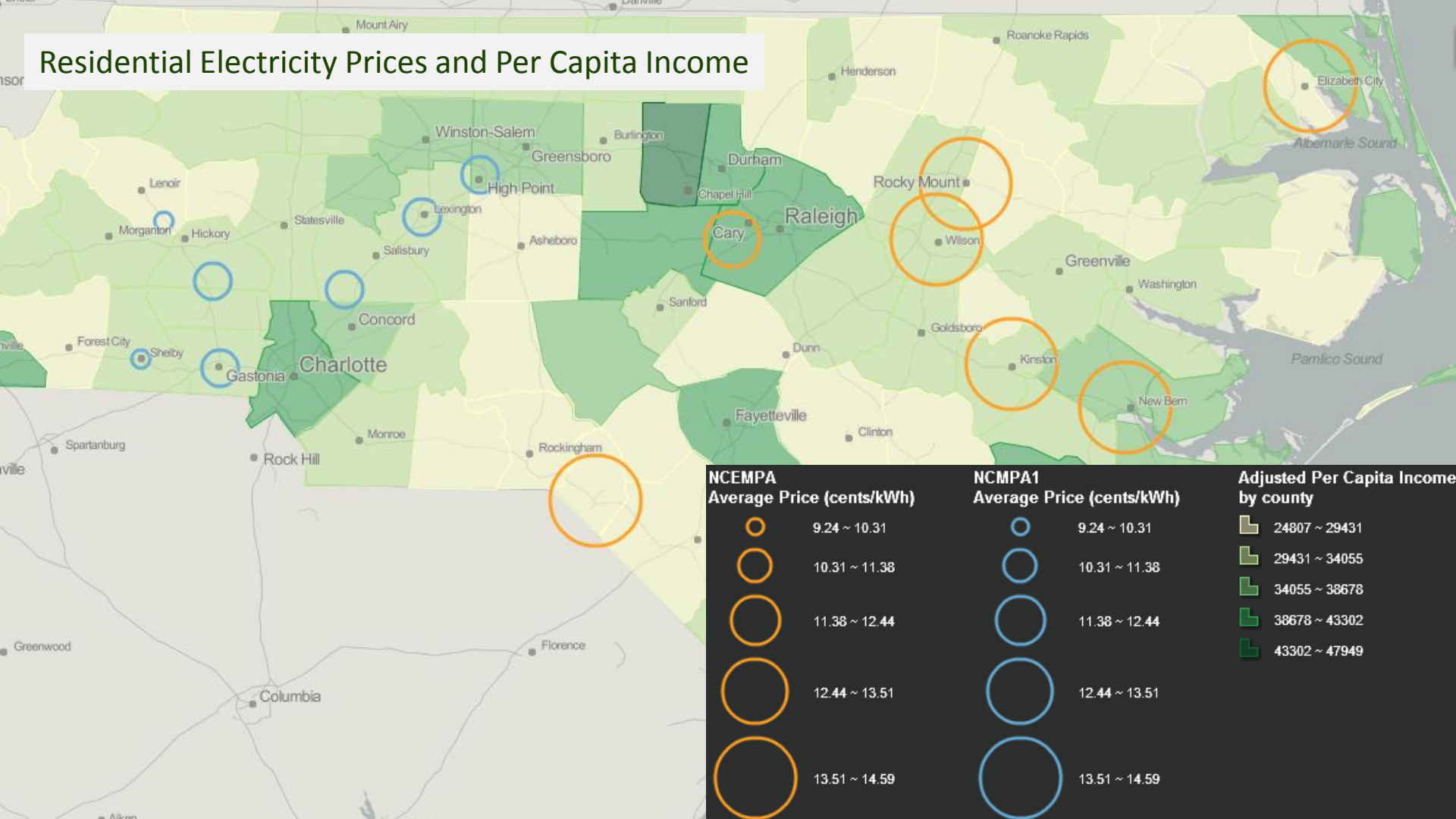


# Electricity Prices (Commercial) in North Carolina, 2009





# Residential Electricity Prices and Per Capita Income





# **EASTERN REGION RESIDENTIAL COST DISPARITY**

- **NCEMPA Avg. Price  
(cents/kWh) 13.6**
- **North Carolina Avg. Price  
( cents/kWh) 9.9**
- **US Avg. Price  
(cents/kWh) 11.43**





# **EASTERN REGION COMMERICAL/INDUSTRIAL COST DISPARITY**

- NCEMPA Avg. Price  
(cents/kWh) 11.4/8.7
- North Carolina Avg. Price  
( cents/kWh) 7.9/5.99
- US Avg. Price  
(cents/kWh) 9.8/7.83





# **CUMULATIVE COST DIFFERENTIAL 2009**

- **NCEMPA \$240 million  
more relative to average  
NC electricity prices**
- **\$30M in Rocky Mount,  
\$43M in Greenville, \$45M  
in Wilson**





# NEXT STEPS

- In-depth analysis of economic impact of high electricity rates in ENC
  - Business Survey
  - Consumer Analysis
  - Rate Analysis
  - Debt Alternatives
- Develop sustainable economic development model- Job/Consumer focused
- Design pilot for implementation





The background is a vibrant green with a visible, slightly grainy texture, resembling a painted surface or a close-up of a wall. On the right side, there is a vertical wooden post or beam, partially visible, which adds a natural, rustic element to the composition. The lighting is even, highlighting the texture of the green surface.

**Questions?**



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